NORTH CENTRAL REGIONAL TRANSIT DISTRICT
BOARD MEETING SUMMARY

November 8, 2013
9:00 AM - 1:00 PM
Jim West Regional Transit Center
Board Room

Below is a summary of the actions taken by the North Central Regional Transit District's Board of Directors on the above date. This is not an official transcript of the meeting.

CALL TO ORDER:

A regular meeting of the North Central Regional Transit District Board of Directors was called to order on the above date by Commissioner Dan Barrone at 9:16 a.m. at the Jim West Transit Center at 1327 N. Riverside Drive, Espanola, NM.

ROLL CALL

Ms. Lucero called the roll and it indicated the presence of a quorum as follows:

Members Present:	**Elected Members**	**Alternate Designees**
Los Alamos County	*Councilor Geoff Rodgers*	
Rio Arriba County		*Tomas Campos*
Taos County	*Commissioner Daniel Barrone*	
Santa Fé County	*Commissioner Miguel Chávez*	
Nambé Pueblo		*Lonnie Montoya*
Pojoaque Pueblo	*Tim Vigil (Telephonically)*	
Ohkay Owingeh	*Christy Mermejo*	
San Ildefonso Pueblo	*Lillian Garcia*	
Santa Clara Pueblo		*Mary Lou Valerio*
Tesuque Pueblo		*Sandra Maes*
City of Santa Fé	*Councilor Patti Bushee*	*Jon Bulthuis*

City of Española	*Mayor Pro Tem Dennis Tim Salazar*	
Town of Edgewood	*Councilor Chuck Ring*	
Rio Metro (ex officio)	*Elizabeth Carter*	

Staff Members Present

Mr. Anthony J. Mortillaro, Executive Director
Ms. Glenda Aragon, Financial Manager
Ms. Dalene Lucero, Executive Assistant
Ms. Stacey McGuire, Project and Grants Specialist
Mr. Jim Nagle, Public Information Officer

Others Present

Mr. Peter Dwyer, Legal Counsel
Ms. Elizabeth Martin, Stenographer
Mr. Andrew Martinez, Rio Arriba County
Mr. Gary Forrest, Sipapu Ski and Summer Resort
Mr. George Brooks, Ski NM
Mr. Ben Abruzzo Jr., Ski Santa Fe
Mr. Antonio Sierra, Rio Grande Sun
Ms. Kiera Hay, Albuquerque Journal North
Mr. Jim Luttjohann, Santa Fe Convention and Visitor's Bureau
Ms. Linda Roseborough, NM State Treasurers Office
Ms. Kirene M. Bargas, NM State Treasurers Office
Ms. Vicki Hanges, NM State Treasurers Office

1. **APPROVAL OF AGENDA**

   Councilor Ring made a motion to approve the agenda as presented, Ms. Valerio seconded the motion and it passed by unanimous voice vote (9-0).

2. **APPROVAL OF MINUTES – October 4, 2013**

   Councilor Rodgers made a motion to approve the minutes as presented, Ms. Valerio seconded the motion and it passed by unanimous voice vote (9-0).

   [At the end of the meeting Commissioner Chavez requested that the minutes be amended to reflect him as the primary designee. The Board requested that the minutes be amended and approved at the next meeting to be held on December 6, 2013.]

3. **PUBLIC COMMENTS**

   There were none.

   [Mr. Campos, Councilor Bushee and Commissioner Chavez entered the room.]

PRESENTATION ITEMS:

There were none.

ACTION ITEMS FOR APPROVAL/ DISCUSSION:

A. Discussion and Adoption of Resolution 2013-26 Providing Authorization to Invest District Monies in the Local Short-Term Investment Fund in the State of New Mexico Local Government Investment Pool (LGIP)

Ms. Aragon gave a brief background stating that the NCRTD has an adopted investment policy however, District funds have simply been placed in an operating checking account bearing minimal interest through Los Alamos National Bank. District staff is seeking Board authorization as is required by LGIP in order to participate in the pool, which is a permitted investment noted within the NCRTD investment policy.

Ms. Aragon then stated that Ms. Montoya-Roseborough from the NM State Treasurer's Office would be giving a presentation on the State's LGIP.

Ms. Montoya-Roseborough gave a brief overview of the LGIP. She went over the PowerPoint presentation stating that the state of New Mexico's participating government investment fund, known as the Local Government Investment Pool or the LGIP, is established under NMSA 1978, Section 6-10-10.1. The LGIP is a short-term investment fund, consisting of deposits from governmental and quasi-governmental entities. The authorizing statute offers eligible participating governments a voluntary investment option that is intended to safely generate market returns by utilizing the purchasing power of a large, pooled fund. Ms. Montoya-Roseborough continued through the slides as presented.

Ms. Montoya-Roseborough passed the presentation over to Ms. Hanges. Ms. Hanges moved on to the market overview of the presentation.

[Mr. Vigil entered the meeting (telephonically).]

Ms. Hanges then asked Ms. Bargas to proceed with this item. Ms. Bargas stated that the NM LGIP is not a registered Money Market Fund (MMF and is not regulated by SEC. She went on to mention that the NM LGIP is created by State Statute to provide a cost-effective investment alternative for municipal entities, and is not publically available. Ms. Bargas continued to briefly go over the slides as presented.

Ms. Aragon thanked the State Treasurer's Office for being at the meeting. She then went on to explain the recommendation of the investment of District funds. Ms. Aragon then referred to page twenty-three (23) of the Board packet.

It was recommended that the funds be diversified according to the general following percentage allocations:

1. Liquidity/availability within 24-48 hours at 40% of available funds (savings, checking and LGIP);
2. 60% of available funds in CD's or T-bills that have a higher yield and the same security but less liquidity and a term of 12 months or less.
3. The specific breakdown would be as follows:
    - Savings and Checking account LANB at 12% of budgeted revenue with collateralization at no less than 100% of current market value. State law requires at least 50%.
    - LGIP investment pool at 28% of available funds.
    - CD's and Treasury bills at 60% of available funds.

It was also recommended that the Board of Director's consider passage of Resolution 2013-26 to apply to the LGIP for participation and certify the Finance Director of the NCRTD, through the Executive Director as authorized signatories to conduct transactions in respect to the LGIP, and the diversification of fund balances as presented.

After discussion from the Board, it was determined that two motions be made regarding this item.

Commissioner Chavez made a motion to approve Resolution 2013-26, authorizing investment 28% of monies in the New Mexico Local Government Investment Pool. Councilor Bushee seconded the motion and it passed by unanimous voice vote (13-0).

Councilor Bushee then made a motion to authorize staff to proceed with the alternative investments as presented. Commissioner Chavez seconded the motion and it passed by unanimous voice vote (13-0).

B. Discussion and Adoption of Resolution 2013-27 Authorizing Direct Deposit Payment for North Central Regional Transit District (District) Vendors

Ms. Aragon gave a brief overview on this item, stating that currently the District is being provided services by a variety of vendors and that the District would like to begin implementation of a "Vendor Direct Deposit Program". The program allows for specified vendors to elect to receive an Automated Clearing House (ACH) payment for services provided to the District. Automated Clearing House (ACH) is an electronic network for financial transactions. Ms. Aragon went on to mention that the District would identify specific vendors that would best utilize the program and will be sent a W-9 and enrollment form for participation.

Ms. Aragon then referenced the list of vendors on page fifty (50) of the Board packet.

Councilor Rodgers asked if the listing was a final listing or if new vendors could enroll in Direct Deposit. Mr. Mortillaro stated that the vendor listing was only an example. However, new vendors could enroll in Direct Deposit using the Substitute W-9 form, which was included on page fifty-one (51) of the Board packet.

It was recommended that the NCRTD Board of Directors adopt Resolution No. 2013-27 Vendor Direct Deposit implementation as presented.

Ms. Aragon also advised the Board that currently any vendor payments that exceed $20,000 require two signatures on the check. Whereas the new Direct Deposit program would no longer require that. She noted that the Finance Subcommittee recommended that staff report back to the Board on the status of the program in six months.

Commissioner Chavez recommended that the status of the program be reported on a quarterly basis; the Board agreed.

Mayor Pro Tem Salazar made a motion to approve Resolution 2013-27 as presented, and directed staff to report on the status of the program on a quarterly basis. Commissioner Chavez seconded the motion and it passed by unanimous voice vote (13-0).

C. Discussion and Adoption of Resolution 2013-28 Authorizing a Budget Amendment for Fiscal Year (FY) 2014 so as to incorporate the Transportation Alternatives Program (TAP) Federal Funding Award

Ms. Aragon gave a brief overview on this item, stating that Resolution 2013-28 is required in order to amend the FY14 budget and incorporate the recently awarded Federal TAP funding. The Federal TAP funding was preliminarily awarded at the NPRPO meeting on September 25th, 2013, with NMDOT anticipated to approve the official award amount in late October/early November 2013. The Board of Directors approved Resolution No. 2013- 25 authorizing Staff to submit an application for this funding at the October 4, 2013 meeting. The NCRTD applied for TAP funding to develop an ADA (Americans with Disabilities Act) Transition Plan in relation to bus stops and shelters and to subsequently design, plan and construct the modifications recommended within the plan. The Finance Subcommittee reviewed this budget amendment at their October 25, 2013 meeting and have recommended Board approval. Ms. Aragon then asked Ms. McGuire if she had any further comments regarding this matter.

Ms. McGuire referenced page fifty-five (55) of the Board packet, stating that the initial award presented at the October 4th Board meeting was a total of 184,266. However, the final award totals $215, 736, and requires a 14.56% of local match dollars, bringing the total project funding to $252,500.

Further discussion went on regarding this item.

It was recommended that the Board approve Resolution 2013-28 Authorizing a Budget Amendment to the FY14 budget to include recently awarded Federal TAP funding.

[Ms. Mermejo and Mr. Vigil exited the meeting.]

Mr. Montoya made a motion to approve Resolution 2013-28 as presented. Commissioner Barrone seconded the motion and it passed by unanimous voice vote (11-0).

D. Discussion and Adoption of Resolution 2013-29 Authorizing the Revision of the District's Reserve Policy

Mr. Mortillaro gave a brief overview on this item, stating that On July 15, 2011, November 4, 2011 and March 1, 2013 the Board adopted financial policies that amended those that had been adopted in October 2009. He noted that on October 25, 2013 the Finance Subcommittee met and discussed the existing reserve policy in light of the progress that has been made in achieving a substantial balance in the undesignated reserve fund. As a result the Finance Subcommittee is recommending that the Board consider amendments to the Reserve Policy that would establish the following designated and undesignated reserve funds:

[Ms. Mermejo re-entered the room.]

- Reserve for Operations (budget stabilization): It is the goal of the Board of Directors to annually direct 15% of the unrestricted reserves into this fund to meet unexpected decreases of more than 5% in the levels of total revenues and subsidies, as well an unexpected increases of more than 5% in total operating costs such as unanticipated and unbudgeted increases in fuel costs or other operating materials that cannot be rebalanced within existing budgeted resources in any given year in order to protect against reducing service levels when these

fluctuations occur. This reserve will be maintained at a maximum of twenty percent (25%) of the annual operating revenues.

- Reserve for Capital and Capital Replacement: It is the goal of the Board of Directors to annually direct 5% of the unrestricted reserves into this fund. In addition revenues from the purchases for fleet replacement, new fleet and replacement or acquisition of fixed assets. This reserve will be maintained at a maximum of fifteen percent (15%) of the annual operating revenues.

- Reserve for Service Enhancements: This fund will be developed to build up fiscal resources in anticipation of future service enhancements. The intent is to build up a reserve of operating funds before potential service enhancements would be enacted in order to smooth the impact on the operating budget of a higher level of service and operating costs. When the Board has authorized existing service enhancements or new service enhancements then the Resolution approving such may also include the authorization to use this reserve fund for that purpose as required by section "E" below. The targeted balance of this reserve fund should be sufficient to cover operating expense of the proposed service enhancement for a three-year period.

- Reserve for Debt Service: When the District issues debt this reserve will be funded through bond proceeds equal to the highest year debt service obligation of the District. These funds are held by the trustee for payment of related debt service.

It was recommended that the Board approve Resolution 2013-29 amending the Adopted Financial Policies.

Commissioner Chavez made a motion to approve Resolution 2013-29 amending the adopted Financial Policies. Mr. Campos seconded the motion and it passed by unanimous voice vote (12-0).

D. <u>Discussion and Review of Service Request Update for Sipapu, Ski Santa Fe and Town of Taos</u>

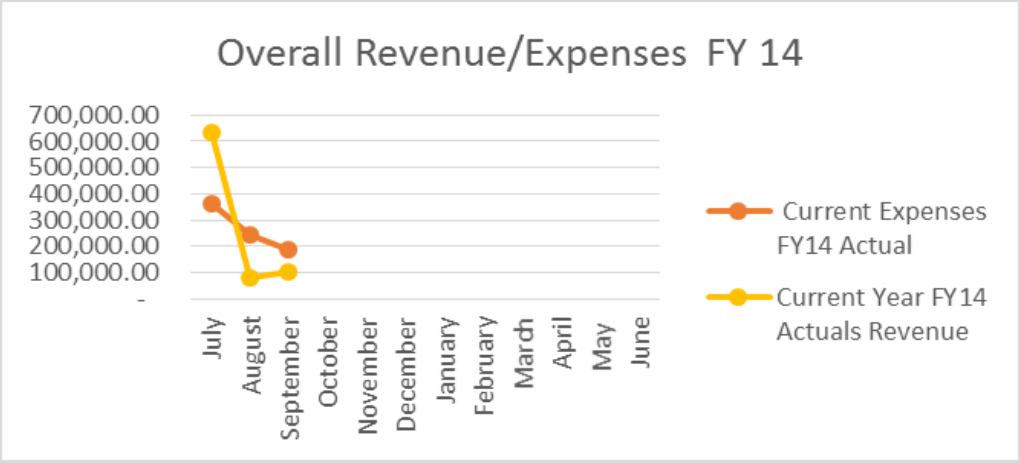
As directed, Ms. McGuire gave a regularly scheduled Board Update regarding services to Sipapu, Ski Santa Fe and Town of Taos.

Further Discussion went on regarding this item.

The Board directed staff to come back with a report for the December 6th Board Meeting in order for the Board to move forward with weekday service to Sipapu.

DISCUSSION ITEMS:

F. Financial Report for October 2013:



G. Finance Subcommittee Report:

Mr. Mortillaro gave a brief overview of the Finance Subcommittee meeting that was held on October 25, 2013. Copies of the Agenda and Minutes from the meetings held on August 23, 2013 and September 27, 2013 were provided to Board Members for review.

H. Tribal Subcommittee Report:

There was no Tribal Subcommittee Report.

I. Executive Report for October 2013 and Comments from the Executive Director:

1) **Executive Report**
2) **Performance Measures for September 2013**
3) **Ridership Report for September 2013**

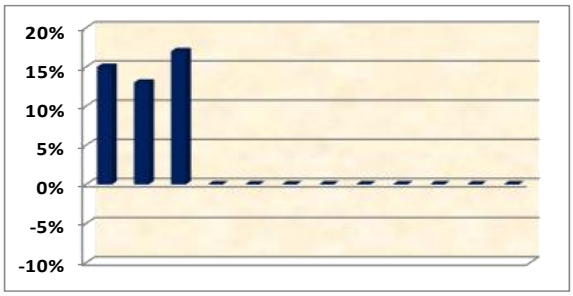
NCRTD Monthly Ridership Summary

September 1, 2013 thru September 30, 2013

Calendar Operating Days

	This Year
Jul-13	21
Aug-13	22
Sep-13	20
Oct-13	
Nov-13	
Dec-13	
Jan-14	
Feb-14	
Mar-14	
Apr-14	
May-14	
Jun-14	

Total Ridership YTD % Change



	Monthly System Totals				Year to Date Totals			
	This Year	Last Year	Difference	% Change	This Year	Last Year	Difference	% Change
NCRTD Operated	18,033	15,052	2,981	17%	53,471	47,247	6,224	**12%**
NCRTD Funded	31,001	21,732	9,269	30%	93,739	74,508	19,231	**21%**
All Systems Funded Total	49,034	36,784	12,250	25%	147,210	121,755	25,455	17%

MATTERS FROM THE BOARD

Commissioner Barrone requested the staff develop an Employee Recognition Committee or program in order to recognize outstanding employees.

Mr. Mortillaro stated that staff has already developed an Employee Recognition Committee that meets on a regular basis, in which they have also created a variety of different programs that will be presented to the Board in January.

MISCELLANEOUS

Commissioner Chavez requested that the minutes be amended to reflect him as the primary Designee for Santa Fe County. He noted that the Board of County Commissioners made him the primary designee and Commissioner Anaya as the alternate.

The Board directed staff to amend the minutes from October 4, 2013 and bring back to the December 6th meeting for approval.

ADJOURN

The meeting was adjourned at 12:32 p.m.

NEXT BOARD MEETING: December 6, 2013 at 9:00 a.m.